

Division of Securities  
Utah Department of Commerce  
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BEFORE THE DIVISION OF SECURITIES  
OF THE DEPARTMENT OF COMMERCE  
OF THE STATE OF UTAH

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IN THE MATTER OF:

DFTF FINANCIAL GROUP, LLC;  
ARIZONA CYBER AUTO;  
DENNIS T. WYNN;

Respondents.

NOTICE OF ENTRY OF  
DEFAULT AND ORDER

Docket No. SD-06-0065  
Docket No. SD-06-0066  
Docket No. SD-06-0067

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**I. BACKGROUND**

A formal adjudicative proceeding was initiated by the Division's Order to Show Cause and Notice of Agency Action dated August 8, 2006, against DFTF Financial Group, LLC (DFTF), Arizona Cyber Auto (Cyber Auto), and Dennis T. Wynn (Wynn) (collectively the Respondents). The Division has moved for entry of a default judgment against the Respondents.

## **II. FINDINGS OF FACT**

1. On September 8, 2006, the Division commenced a formal adjudicative proceeding by issuing an Order to Show Cause (OSC) and Notice of Agency Action (Notice) to DFTF, Cyber Auto, and Wynn.
2. On September 8, 2006, a Division investigator hand delivered a true and correct copy of the OSC and NOAA to Wynn, DFTF, and Cyber Auto, at DFTF's offices in Sandy, Utah.
3. At the October 19<sup>th</sup>, 2006 initial administrative hearing, the Presiding Officer, Wayne Klein, noted that the Respondents did not appear for the hearing, nor did they file a written response to the September 8, 2006 OSC. In order to avoid any questions of impartiality, Mr. Klein then appointed Benjamin Johnson, Director of the Division's Corporate Finance Section, to act as the new hearing officer and make any additional findings of fact and conclusions of law.
4. As of November 1, 2006, DFTF, Cyber Auto, and Wynn have not filed a response to the September 8, 2006 OSC.
5. DFTF was registered as a Utah limited liability company on May 10, 2004, and its current corporate status is "active." Wynn is the registered agent of DFTF, and he and his wife, Ruan Wynn, are the only two members. DFTF's business address is 9160 S. 300 W. #2, Sandy, Utah.
6. Cyber Auto is not a registered entity in Utah. Cyber Auto is a registered trade name in Arizona, and Dennis Wynn Co. Inc. is its registered agent/owner.

7. Dennis T. Wynn resides in Salt Lake County, Utah. Wynn owns and operates DFTF Financial Group LLC and Arizona Cyber Auto.
8. From June 2003 to October 2005, Respondents solicited a total of \$82,026.18 in investments from at least four different investors.
9. Respondents generally told investors their money would be used to “flip” vehicles, meaning Respondents would purchase vehicles at wholesale, and then sell the vehicle for a profit which would be split with the investor. Respondents told two investors their investments would be secured by the vehicle purchased, but then failed to deliver the title to the investor.
10. Wynn gave two of the investors unsecured promissory notes to evidence their investments. The other two investors entered into verbal investment contracts with Wynn.
11. Respondents failed to tell investors, among other things, that Wynn filed for personal bankruptcy in 1989, and his company, Wynn Company, Inc.<sup>1</sup>, filed for bankruptcy in 2002; that Wynn had over \$2 million in outstanding civil judgments against him; that the IRS filed a \$163,860 tax lien against any and all of Wynn’s real property in 2001; that the state of Utah filed criminal charges against Wynn in 2002 for several violations of the Utah Motor Vehicle Business Regulation Act, and that in 2003, Wynn entered into a plea in abeyance with the state resulting in dismissal of the criminal charges.

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<sup>1</sup> Wynn Company, Inc. was a registered Utah corporation from 1990 to 2001. Wynn Company, Inc. operated a used car dealership in Salt Lake City, Utah, and Dennis T. Wynn was its president and director.

12. Of the four investors included in this OSC, one received a few interest and principal payments, and the remaining three received none of their interest or principal from Wynn, despite their demands.

Investors V. F. and M. F., Husband and Wife

13. In May 2003, V. F. and M. F. met with Wynn and his daughter, Amy Wynn, at a Salt Lake County title company to discuss an investment opportunity in Wynn's company, Cyber Auto.
14. Wynn told V. F. and M. F. their investment would be used to purchase vehicles at wholesale, and those vehicles would later be sold to purchasers with poor credit. Wynn said he would arrange financing for the purchaser, with a fairly high interest rate, and when payments for the vehicle were received by Wynn, he would split the interest between Wynn and the investors (V. F. and M. F.). Wynn told V. F. and M. F. he would reinvest their principal and continue paying them their half of the interest received from vehicle purchasers.
15. Wynn told V. F. and M. F. that an investment of \$23,000 would allow them to invest in four separate car transactions which would provide them with a profit of \$1,245 per month.
16. Wynn told V. F. and M. F. he offered the same type of investment opportunity through his Arizona company, and those investors were receiving 15-20% returns.

17. Wynn told V. F. and M. F. the investment was secured by the vehicles purchased, and that the vehicle titles would be in their name.
18. Wynn also told V. F. and M. F. a GPS (global positioning satellite) unit would be installed on each vehicle, and if a client failed to pay, the GPS unit would shut the car down.
19. On June 5, 2003, V. F. and M. F. invested \$23,116.18 with Wynn by giving him a personal check made payable to WFG<sup>2</sup>. Wynn told V. F. and M. F. to set up a new bank account, provide him with the account number, and he would send their monthly payments to the account beginning in July 2003.
20. In July 2003, V. F. and M. F. contacted Wynn when they did not receive a payment in their account. Wynn told V. F. and M. F. the bank account needed to be opened at Wells Fargo Bank. V. F. and M. F. therefore opened an account at Wells Fargo Bank and provided Wynn with the account information.
21. After not receiving payments from Wynn for six months, V. F. and M. F. contacted Wynn. Wynn told V. F. and M. F. he could not pay them at the moment, but said he would give them additional car contracts to secure their investment. Wynn then gave V. F. and M. F. a one page list of eight individuals whose automobile purchase contracts supposedly secured the investment of V. F. and M. F.

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<sup>2</sup> WFG Acceptance was registered in Utah as a DBA of Wynn Company, Inc. from 1997 to 2001. WFG Acceptance was the financing arm of Wynn Company, Inc., and arranged financing for those purchasing vehicles from Wynn Company, Inc.

22. On June 30, 2004, Wynn gave V. F. and M. F. a payment check from Cyber Auto for \$1,245 and told them not to deposit the check for a few days. The check never cleared the bank.
23. Despite several demands, V. F. and M. F. have received no payments from their investment with Wynn and Cyber Auto. V. F. and M. F. are still owed \$23,116.18 in principal alone.

Investor R. S.

24. In February 2005, R. S. and his wife met with Wynn several times at Financially Fit, in Salt Lake County, where Wynn was employed as a financial consultant providing advice and personal finance coaching to individuals. Wynn told R. S. that Financially Fit employed Wynn because of his prior experience buying and selling automobiles.
25. On April 28, 2005, at Financially Fit's offices, Wynn asked R. S. if he wanted to make \$500. Wynn told R. S. he had a client who wanted to purchase a vehicle but has poor credit. Wynn asked R. S. to invest \$7,000 in cash with him, which would pay for the purchase of the client's vehicle. Wynn told R. S. the client would pay Wynn \$7,500 within one week, and at that time, Wynn would pay R. S. \$7,500.
26. Wynn told R. S. the vehicle title would secure his investment and remain in Wynn's possession until the client paid in full.
27. Wynn suggested he and R. S. continue this process for other clients who were struggling financially.

28. On May 18, 2005, R. S. obtained a \$7,000 cashier's check made payable to himself. R. S. cashed the check and gave Wynn \$7,000 cash at Financially Fit's offices.
29. One week later, Wynn told R. S. he received the \$7,500 from his client, but he used it to purchase a vehicle for a different client. Wynn told R. S. he would make another \$500 from the purchase and sale of this second vehicle.
30. On June 17, 2005, Wynn gave R. S. a check for \$1,000 from Financially Fit's account, and told him it was the profit from the sale and purchase of the two vehicles. Wynn asked R. S. if he would rather reinvest the \$1,000 in the purchase of another vehicle. R. S. agreed to reinvest the \$1,000, cashed the check he received from Financially Fit, and gave it to Wynn the very same day.
31. Sometime in the following week, R. S. talked to Financially Fit's payroll specialist who told R. S. the \$1,000 check was R. S.'s training pay<sup>3</sup> and was not intended to be the profit from any vehicle transactions involving Wynn. The payroll specialist also told R. S. Financially Fit did not have a bank account dedicated to vehicle transactions.
32. R. S. confronted Wynn with this information, and asked Wynn to return his \$7,000 investment. Wynn told R. S. he would get his money back.
33. Between June and August 2006, R. S. received three checks from Wynn, totaling \$7,000. It is not clear, however, if the \$7,000 was payment toward R. S.'s \$7,000 investment, or if it was a refund of a portion of the money R. S. gave to Wynn to purchase two vehicles for

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<sup>3</sup> R. S. was in training at Financially Fit to become a financial consultant.

the personal use of R. S. In April 2005, R. S. gave Wynn \$45,000 to purchase vehicles for R. S. and his wife. Wynn used R. S.'s money to purchase one vehicle for \$19,200, and kept the rest (\$25,800) of R. S.'s money.

34. Despite several demands, R. S. has received no return of his interest or principal from Wynn. R. S. is still owed \$7,000 in principal alone.

Investor T. H.

35. Investor T. H. met Wynn at a Salt Lake County business called Financially Fit, where they were both employed as financial consultants, providing personal finance coaching to individual clients.
36. In July 2005, Wynn described an investment opportunity in his company Cyber Auto, to investor T. H., which involved "flipping" vehicles.
37. Wynn told T. H. he could purchase vehicles at wholesale and sell them for retail prices through his Cyber Auto dealership. Wynn told T. H. each vehicle transaction produces a \$500 profit, which is split evenly with the investor.
38. Wynn told T. H. she would initially need to invest at least \$6,500 to start the vehicle-flipping process.
39. On August 31, 2005, T. H. obtained a cash advance of \$6,500 from her credit card and turned it into a cashier's check made payable to Cyber Auto. Wynn told T. H. it would expedite the process if T. H. deposited the money directly into Wynn's personal bank



account at U.S. Bank. T. H. then cashed the cashier's check, and deposited the cash into Wynn's account at U.S. Bank.

40. Wynn gave T. H. a promissory note in return for her investment. The note stated that Dennis T. Wynn would pay T. H. \$6,750 on or before September 10, 2005, and bore Wynn's signature.
41. On September 10, 2005, T. H. asked Wynn, in person, for her \$6,750. Wynn told T. H. he was busy but would pay her the following day.
42. On September 20, 2005, Wynn delivered a check for \$6,750 to T. H. at her home. After Wynn left, T. H. noticed that the check was not signed. T. H. contacted Wynn regarding the unsigned check, and he immediately went back to her home and signed the check.
43. On September 21, 2005, T. H. tried to cash the check at Wynn's bank and was told the account had insufficient funds.
44. On September 22, 2005, T. H. contacted Wynn's bank and was again told there were insufficient funds.
45. On September 23, 2005, T. H. called Wynn and left him a message about the insufficient funds.
46. On September 24, 2005, Wynn called T. H. and told her his money was "tied up" in the purchase of vehicles but the funds would be available in two days.
47. On October 7, 2005, at the Financially Fit offices, Wynn gave T. H. a check for \$300, which cleared the bank.

48. From December 30, 2005 through January 14, 2006, Wynn sent T. H. four checks totaling \$2,000, which all cleared the bank.
49. Despite several demands, T. H. has received no additional payments of interest or principal from Wynn. T. H. is still owed \$4,200 in principal alone.

Investor M. S.

50. Investor M. S. met Wynn at a Salt Lake County business called Financially Fit, where they were both employed as financial consultants, providing financial coaching to individual clients.
51. In August 2005, at Financially Fit's offices, Wynn approached M. S. about an investment opportunity involving the purchase of a vehicle for one of Wynn's Financially Fit clients.
52. Wynn told M. S. he had a client who needed to purchase a vehicle, but would not have the funds for a couple of weeks. Wynn asked M. S. to invest \$6,500 with Wynn, which would be used to purchase a vehicle for his client, and once his client obtained financing, Wynn would pay M. S. his principal plus \$300 in interest.
53. On August 31, 2005, M. S. transferred, via wire transfer, \$6,500 to Wynn's Zion's bank account in Salt Lake City.
54. In return for M. S.'s investment, Wynn gave M. S. a promissory note from Wynn for \$6,500, with a maturity date of September 10, 2005 (the First Note). For collateral, Wynn also gave M. S. the original title to the vehicle purchased.

55. In September 2005, at a restaurant in Draper, Utah, Wynn told M. S. he wanted to go into business with M. S. Wynn said, through his company DFTF, he would hold seminars to educate real estate agents about mortgages, M. S. would do the accounting and draft a business plan, and they would split the profits evenly. M. S. agreed to go into business with Wynn.
56. In October 2005, Wynn told M. S. some of his DFTF clients wanted to purchase vehicles, and that Wynn needed \$39,910 to cover the cost of purchasing the vehicles until his clients obtained financing. Wynn told M. S. if he invested \$39,910 in the purchase of these vehicles, Wynn would pay him back his principal plus 18% interest.
57. On October 19, 2005, M. S. invested \$39,910 with Wynn, by sending the money via wire transfer, from his IRA account to Wynn's U.S. Bank account in Salt Lake City. M. S. told Wynn he had to use funds from his retirement account to make the investment. M. S. received a promissory note from Wynn to evidence his investment, which matured on April 17, 2006, and bore Wynn's signature (the Second Note).
58. M. S. continued to ask Wynn for payment on his First Note, and Wynn continued to tell M. S. he did not have the money.
59. On March 23, 2006, M. S. received a check for \$6,800 from Wynn for payment on the First Note. The check cleared the bank.
60. On April 17, 2006, M. S. tried to contact Wynn regarding payment on M. S.'s Second Note, with no success.

61. In late April or early May 2006, Wynn contacted M. S. and admitted to using M. S.'s investment for personal expenses instead of purchasing vehicles for clients.
62. Despite several demands, M. S. received no payment of interest or principal on his Second Note with Wynn, and is still owed \$39,910 in principal alone.

Misrepresentations and Omissions

63. In connection with the offer and sale of a security to investors, DFTF, Cyber Auto, and Wynn, directly or indirectly, made false statements, including, but not limited to, the following:
  - a. Wynn told investor R. S., M. S., and T. H., their money would be used to purchase vehicles, when, in fact, Wynn used their investments for business and operating expenses, and personal expenses, such as, but not limited to, the following:
    - i. Payroll
    - ii. Payments to his wife and daughter
    - iii. Payments to his companies, Wynn Company, Inc., and DFTF
    - iv. Gasoline
    - v. Food
    - vi. Car payments for Wynn's personal vehicle;
  - b. Wynn told investor M. S. his money would be used to purchase vehicles, when, in fact, this was not true. In late April or early May 2006, Wynn contacted M. S. and admitted to using M. S.'s investment for personal expenses;

- c. Wynn gave R. S. a check for \$1,000 from Financially Fit, and told him it was the profit from R. S.'s investment, when, in fact, the \$1,000 was from Financially Fit and was supposed to be used by R. S. to pay for training. R. S. reinvested the \$1,000 with Respondents the same day;
- d. Wynn told investors R. S., T. H., and M. S. they would receive interest plus principal from their investments, when, in fact, based on the fact that Wynn had already missed interest and principal payments to at least one prior investor, Wynn had no reasonable basis on which to make these representations;
- e. Wynn told investor R. S. his investment would be secured by the title to the vehicle(s) purchased, when, given that Wynn had failed to secure at least one prior investor with a vehicle title, Wynn had no reasonable basis on which to make this representation;
- f. Wynn told investors V. F. and M. F. that a GPS tracking device would be attached to the purchased vehicle and shut the vehicle down if the client failed to pay, when, in fact, Respondents had no reasonable basis on which to make this representation; and
- g. Wynn told V. F. and M. F. that his Arizona investors were receiving interest of 15-20%, when, in fact, Respondents had no reasonable basis on which to make this representation.

64. In connection with the offer and sale of a security to investors, DFTF, Cyber Auto, and Wynn, directly or indirectly, failed to disclose material information necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading, including, but not limited to, the following:
- a. That Wynn filed for personal bankruptcy in 1989, and his company, Wynn Company, Inc., filed for bankruptcy in 2002;
  - b. That Wynn had over \$2 million in outstanding civil judgments against him;
  - c. That in 2001, the Internal Revenue Service filed a \$163,860 tax lien with the Maricopa County Recorder's office in Arizona, against all of Wynn's property and rights to property;
  - d. That the state of Utah filed criminal charges against Wynn in 2002 for Failure to Deliver Title, Failure to Payoff Consignor, Expired Temporary Vehicle Registration and Payoff Lien on Motor Vehicle Trade, and that in 2003, Wynn entered into a plea in abeyance with the state. The case was dismissed in 2004 after Wynn satisfied the terms of the plea in abeyance;
  - e. That in 1988, the Utah Real Estate Commission revoked Wynn's real estate license;
  - f. Some or all of the information typically provided in an offering circular or prospectus regarding DFTF or Cyber Auto, such as:
    - i. The business and operating history for DFTF or Cyber Auto;

- ii. Identities of DFTF's or Cyber Auto's principals along with their experience in this type of business;
- iii. DFTF and Cyber Auto financial statements;
- iv. The market for the product of the company;
- v. The nature of the competition for the product;
- vi. Current capitalization of the issuer;
- vii. A description of how the investment would be used by the business;
- viii. DFTF's and Cyber Auto's past performance for its investors;
- ix. Risk factors for investors;
- x. The number of other investors;
- xi. The minimum capitalization needed to participate in the investment;
- xii. The disposition of any investments received if the minimum capitalization were not achieved;
- xiii. The liquidity of the investment;
- xiv. Discussion of pertinent suitability factors for the investment;
- xv. The proposed use of the investment proceeds;
- xvi. Any conflicts of interest the issuer, the principals, or the agent may have with regard to the investment;
- xvii. Agent commissions or compensation for selling the investment;

- xviii. Whether the investment was a registered security or exempt from registration; and
- xix. Whether the person selling the investment was licensed.

### **III. CONCLUSIONS OF LAW**

- 65. The service of the OSC and the Notice initiating these proceedings is valid upon DFTF, Cyber Auto, and Wynn.
- 66. DFTF, Cyber Auto, and Wynn had actual notice of the administrative action.
- 67. Because DFTF, Cyber Auto, and Wynn failed to file a written response to the September 8, 2006 OSC, they are in default.
- 68. The promissory notes and investment contracts offered and sold by DFTF, Cyber Auto, and Wynn are securities under the Utah Uniform Securities Act (the Act).
- 69. In connection with the offer and sale of securities, DFTF, Cyber Auto, and Wynn misrepresented material facts to investors.
- 70. In connection with the offer and sale of securities, DFTF, Cyber Auto, and Wynn failed to disclose material information to investors which was necessary to make the statements made not misleading.
- 71. By this conduct, DFTF, Cyber Auto, and Wynn violated the antifraud provisions of § 61-1-1(2) of the Act.



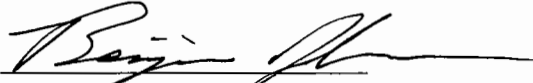
#### **IV. ORDER**

Based on the above, the hearing officer hereby:

1. Declares DFTF Financial Group, LLC, Arizona Cyber Auto, and Dennis T. Wynn in default for failing to file a written response to the September 8, 2006 OSC.
2. Enters, as its own findings, the Findings of Fact described in Section II above.
3. Enters, as its own conclusions, the Conclusions of Law described in Section III above.
4. Finds that DFTF Financial Group, LLC, Arizona Cyber Auto, and Dennis T. Wynn willfully violated the Utah Uniform Securities Act by misrepresenting material facts in connection with the offer and sale of securities in or from Utah in violation of § 61-1-1(2).
5. Finds that DFTF Financial Group, LLC, Arizona Cyber Auto, and Dennis T. Wynn willfully violated the Utah Uniform Securities Act by omitting to disclose material information necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading, in connection with the offer and sale of securities in or from Utah in violation of § 61-1-1(2).
6. Orders DFTF Financial Group, LLC, Arizona Cyber Auto, and Dennis T. Wynn to permanently CEASE and DESIST from any violations of the Act.
7. Orders DFTF Financial Group, LLC to pay a fine of fifty thousand dollars (\$50,000) to the Division, by January 31, 2007.
8. Orders Arizona Cyber Auto to pay a fine of fifty thousand dollars (\$50,000) to the Division, by January 31, 2007.

9. Orders Dennis T. Wynn to pay a fine of one hundred thousand dollars (\$100,000) to the Division, by January 31, 2007.

DATED this 9<sup>th</sup> day of November, 2006.

  
BENJAMIN JOHNSON  
Director of Corporate Finance  
Utah Division of Securities

Pursuant to § 63-46b-11(3), Respondent may seek to set aside the Default Order entered in this proceeding by filing such a request with the Division consistent with the procedures outlined in the Utah Rules of Civil Procedure.

**Certificate of Mailing**

I certify that on the 13<sup>th</sup> day of November 2006, I mailed, by certified mail, a true and correct copy of the Notice of Entry of Default and Order to:

Dennis T. Wynn  
1702 E. Haven Chase Ln.  
Salt Lake City, UT 84121

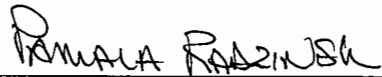
Certified Mail # 700601000001 76889159

DFTF Financial Group LLC  
9160 S. 300 W. #2  
Sandy, UT 84070

Certified Mail # 700601000001 76889166

Arizona Cyber Auto  
9160 S. 300 W. #2  
Sandy, UT 84070

Certified Mail # 700601000001 76889173

  
Executive Secretary